

# SENATE BILL REPORT

## SB 5483

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As of February 2, 2009

**Title:** An act relating to the reporting requirements of small domestic wineries.

**Brief Description:** Concerning the reporting requirements of small domestic wineries.

**Sponsors:** Senators Murray, Holmquist, Hewitt, Marr and Honeyford.

**Brief History:**

**Committee Activity:** Labor, Commerce & Consumer Protection: 1/29/09.

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### SENATE COMMITTEE ON LABOR, COMMERCE & CONSUMER PROTECTION

**Staff:** Mac Nicholson (786-7445)

**Background:** Wine sold to distributors, the Liquor Control Board (LCB), consumers, and retailers is subject to a liter tax. In winery to distributor sales, the distributor pays the liter tax. When the winery sells directly to consumers or retail licensees, the winery must pay the liter tax. Wineries, as well as wine distributors, importers, and holders of certificates of approval, must submit the liter tax, along with wine tax reports, to the LCB on a monthly basis. Revenue generated from the wine liter tax is deposited into a number of accounts, including the Liquor Revolving Account, the state General Fund, the Violence Reduction and Drug Enforcement Account, and the Health Services Account. A portion of the liter tax revenue is also disbursed quarterly to the Washington Wine Commission.

**Summary of Bill:** Certain wineries may submit annual reports to the LCB, including wine tax reports and tax returns. Wineries qualified to submit annually are those that did not withdraw from their premises more than 6,000 gallons of wine subject to federal excise tax during the previous calendar year.

**Appropriation:** None.

**Fiscal Note:** Requested on January 28, 2009.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

**Staff Summary of Public Testimony:** PRO: The legislation will reduce the paperwork burden for small wineries and allow them to file annual instead of monthly reports. There shouldn't be a significant impact to the Washington Wine Commission's revenues.

OTHER: The Washington Wine Commission has not taken an official position on the legislation, but the Commission does have some concerns. The fiscal impact of the legislation to the Commission is expected to be around \$25,000 to \$30,000 during the first fiscal year, and could grow in future fiscal years. Consequently, the legislation would directly affect the operating capital of the Commission and their ability to market Washington wine.

**Persons Testifying:** PRO: Paul Beveridge, Family Wineries of Washington.

OTHER: Ryan Pennington, Matt Sullivan, Washington Wine Commission.